



# **Rajasthan State Mines & Minerals Limited**

( A Government of Rajasthan Enterprise)

**Corporate Office : 4, Meera Marg, Udaipur - 313 001**

*Registered Office : C-89-90, Lal Kothi Scheme, Jaipur*

Phone : 0294-2428763/64/65/66/67, Fax: 0294-2428770/2428739

e-mail : info.rsmml@rajasthan.gov.in

**No. RSMML/CO/F&A/ Audit/**

**Date: 11.10.2023**

## **Enquiry for Internal Audit**

Offers are invited from CA/CMA firms fulfilling the below mentioned eligibility criteria to conduct internal audit of the operations of RSMML as per the details given below and the indicative scope enclosed herewith, for the financial year 2023-24.

### **1. About RSMML**

Rajasthan State Mines & Minerals Ltd is a premier company of Government of Rajasthan engaged in mining and sale of various minerals and production of electricity from windfarms and solar plant, having a turnover of around Rs. 1000.00 cr. Its business is divided into four mineral based Strategic Business Units & profit Centers (SBU & PC), namely, SBU & PC-Rockphosphate, SBU & PC-Lignite, SBU & PC-Gypsum, and SBU & PC-Limestone. The Corporate office is located at 4, Meera Marg (Opp. Meera Girls College) Udaipur whereas the SBU offices are located at Jhamarkotra(Udaipur), Jaipur, Bikaner and Jodhpur, respectively. Also, besides excavation of minerals, SBU-Rockphosphate also has a plant for beneficiating its low-grade ore.

### **2. Brief of audit**

The company wishes to appoint internal auditor for the following functions: Internal audit of all the SBUs and C. O., including windfarm & solar plant, as per the scope of audit enclosed (Annexure 6). The audit is to be conducted for the year 2023-24 on six monthly basis, i.e., April 2023 to Sept 2023 and Oct 2023 to March 2024.

### **3. Scope and Period of Audit**

The Detailed scope is enclosed herewith (Annexure 6). The scope is indicative and may undergo changes as and when required. **The period of audit is Financial Year 2023-24**, which can be extended for a period of one year, if the services are found satisfactory as per the provision of Rajasthan transparency in Public Procurement Act.

#### 4. Eligibility Criteria:

The eligibility criteria are as follows:

1. Partners: The firm should have at least eight partners.
  2. Staff/articles: The firm should have at least twenty-five staff/articles.
  3. Existence: The firm should be in existence for at least ten years as on 01.04.2023.
  4. Experience: The firm should have conducted at least two internal audits of PSU/Private companies engaged in mining or manufacturing activities having turnover of minimum Rs. 100 crore or more, during preceding five years, i.e., from 2018-19 to 2022-23.
  5. HO/Branch: The firm should have its head office or branch office in Jaipur or Jodhpur or Bikaner or Udaipur in Rajasthan prior to 01.04.2023.
5. **RSMML reserves the right not to assign the work to L1 bidder** if it considers the remuneration quoted to be non-workable and may assign the same to L2 or L3 and so on whose quoted remuneration is found to be workable. **Further, a bidder who has been the internal auditor of RSMML for two continuous years or more will not be considered for next two years.**

#### 6. Remuneration

The remuneration, to be quoted in Annexure 5, should be for whole year and excluding GST. The applicable GST is to be mentioned separately in the proforma for remuneration.

The company will reimburse the expenses on travelling and stay at actuals for to & fro journeys from its office in Rajasthan only, subject to ceilings prescribed from time to time. DA is also admissible as prescribed from time to time. The present rates for reimbursement of travel & stay expenses and for DA is enclosed (Annexure 7).

It is estimated that to complete the internal audit work under both the phases described above, on an average a total of around 625 man-days are required. Also, the audits of all the SBUs & Corporate office will have to be undertaken simultaneously to complete the audit in a time-bound manner.

The bidder should take into consideration the above factors while quoting remuneration.

#### 7. Bid security

Bid security or Earnest Money of Rs. 3000/- would be required to be submitted in the form of DD in favor of RSMML, payable at Udaipur with techno-commercial bid

The bid security of unqualified bidders will be refunded forthwith. The bid security of qualified but unsuccessful bidders will be refunded on submission

of SD and commencement of work by the successful bidder. The bid security of the successful bidder will be reimbursed on submission of SD.

The bid security of the successful bidder will be forfeited in case of non-commencement of work in prescribed period or abandoning the work mid-way or on breach of any terms & conditions of the assignment.

The bid security deposit shall not bear any interest.

#### **8. Security Deposit (Performance Security)**

Security Deposit of 10% of yearly remuneration will have to be submitted by the successful bidder, within thirty days of receiving letter/fax/e-mail of acceptance of offer. The SD will be in the form of DD in favor of RSMML payable at Udaipur.

The SD will be refunded within one month from the date of completion of entire process of audit, i.e., that is after giving presentation in the audit committee meeting to be held for acceptance of annual accounts of the company.

No interest is payable on SD amount.

The security deposit will be forfeited in case of abandoning the work mid-way or on breach of any terms & conditions of the assignment.

#### **9. Additional Performance Security**

- 1) In addition to Performance Security as specified in rule 75 of RTPP an Additional Performance Security shall also be taken from the successful bidder in case of unbalanced bid. The Additional Performance Security shall be equal to fifty percent of unbalanced Bid Amount. The Additional Performance Security shall be deposited in lump sum by the successful bidder before execution of Agreement. The Additional Performance Security shall be deposited through e-Grass, Demand Draft, Banker's Cheque, Government Securities or Bank Guarantee.

Explanation: For the purpose of this rule;

- (i) Unbalanced Bid means any bid below more than fifteen percent of Estimated Bid Value.
  - (ii) Estimated Bid Value means value of subject matter of procurement mentioned in bidding documents by the Procuring Entity.
  - (iii) Unbalanced Bid Amount means positive difference of eighty five percent of Estimated Bid value minus Bid Amount Quoted by the bidder.
- 2) The Additional Performance Security shall be refunded to the contractor after satisfactory completion of the entire work. The Additional Performance Security shall be forfeited by the Procuring Entity when work is not completed within stipulated period by the contractor. Provision for "Unbalanced Bid" and "Additional Performance Security" shall be mentioned in the Bidding Documents by the Procuring Entity.

All the provision of Rajasthan Transparency in Public Procurement Act and rules made there under and modification to be issued by the competent authority from time to time will automatically be ipso-facto applicable.

10. **Commencement:** The auditors will have to commence the audit within 15 days of the date of appointment letter.

**11 Payment**

The agreed fees will be paid equally for the first and second halves. The expenses on travel and stay will be reimbursed on submission of bills. The travelling and stay is to be arranged by the audit firm but the company will reimburse the same at actuals subject to ceiling of rates prescribed from time to time. Present rates for reimbursement is enclosed (Annexure-7).

**12 Penalty**

**For Non-commencement**

If the successful bidder doesn't commence the work within the time prescribed by the Company and the reasons are attributable to him, a penalty per day of 0.5% of total remuneration will be imposed & recovered from any payable amounts to the successful bidder, subject to maximum 5% separately for each half year, whereafter RSMM may terminate the assignment & forfeit the SD.

**For Abandoning the work**

After the commencement, the audit will have to be continued till completion. If any break is required, it should be on mutual consent. If the audit is discontinued without mutual consent and not resumed within 7 days, RSMM will impose a per day penalty of 0.5% of total yearly remuneration subject to maximum of 5% , separately for each half, whereafter RSMM may terminate the assignment & forfeit the SD and any amounts of the auditor available with RSMM.

13 In case your firm fulfills the above eligibility criteria and you are willing to undertake the above works, you may send your offer in sealed envelope superscribed "Offer for Internal Audit" in two parts, i.e., (i) techno-commercial bid giving details as per annexure 1 to 4, along with the supporting documents evidencing fulfillment of the eligibility criteria as per sr.no.4. (ii) separate sealed envelope for price bid as per Annexure 5 superscribed "Price Bid".

Your offer may reach us latest by ~~26~~10.10.2023 till closing hours (6.00 pm) at the following address:

DGM(F&A)  
Rajasthan State Mines & Minerals Ltd.  
4, Meera Marg  
Udaipur-313001

Please note that offers received after this date will not be considered.

For any queries, may please contact the undersigned.

Thanks,



Rajendr Rao  
DGM(F&A)  
Mob: 9413300452  
e-mail: -rrao.rsmml@rajasthan.gov.in  
Encl:annexures 1 to 7

**Annexure-1**

**Details of the firm**

Name	-
Address-Head Office	-
Address-Branch Office {1}	-
Cert.of Practice No. and date	-
Phone No. Landline:	-
Mobile:	-
FAX No.	-
Email	-
No. of Partners	-
No. of Staff	-
GSTIN	-
Experience	-

**Authorised Person's Name:**

**Signature:**

**Seal:**

**Annexure-2**

**Details of Partners**

<b>Sr. No.</b>	<b>Name</b>	<b>DOJ*</b>	<b>Qualification</b>	<b>Experience</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

**Authorised Person's Name:**

**Signature:**

**Seal:**

**\*Date of Joining the firm**

## Detail of Staff/ Articles

Sr. No.	Name	Date of Joining
1.		
2.		
3.		
4.		
5.		
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9.		
10.		
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20.		
21.		
22.		
23.		
24.		
25.		

\*Date of Joining the firm

Authorised Person's Name:

Signature:

Seal:



## DETAILS OF EXPERIENCE

Sr. No.	Name of Company	PSU/Pvt	Turnover	Type of Audit	Year of Audit	Remarks, if any

Note: Please enclose documents for experience

Authorised Person's Name:

Signature:

Seal:

## Remuneration for Internal Audit Work

(In Rs.)

Fees (for one year)	-
GST	-
Total	-
Total Fees plus GST in words	-

Authorised Signature &amp; Seal:

## Notes:

1. Travel and stay is to be arranged by the audit firm but the company will reimburse the same at actual subject to ceilings prescribed from time to time. Present rates for reimbursement is enclosed at (Annexure-7).
2. Local conveyance will be arranged by the Company
3. The audit will be carried out in two phases, i.e., April to Sept. and Oct to March. The agreed fees will be paid twice, equally, on completion of the work of each half, including submission of reports of each half. The expenses on travel and stay will be reimbursed on submission of bills.

## SCOPE OF INTERNAL AUDIT

### **General**

The internal auditors shall be required to conduct detailed audit of the operations of all the SBUs and the Corporate Office. The audit shall include the review of soundness and adequacy of administrative, accounting, financial and other controls; adequacy of systems regarding the custody and safety of the enterprise's assets; compliance with policies, plans and procedures of the company; efficient and economical use of resources; efficiency and effectiveness of various operations, compliance of relevant statutes, rules and regulations etc.

### SBU-ROCK PHOSPHATE

In the course of audit, the auditors shall check and review and give their comments/ suggestions on the various operations of the SBU, including the following broad areas of activity:

#### **1. Reporting on performance of the SBU**

Reporting production & sales, separately for departmental & contractual performance, in both quantitative & value terms, of various products, other revenue, expenditure incurred & profit earned by the SBU vis-a-vis budget, giving figures for corresponding half of the previous year. In the case of report for second half, figures for whole year should also be given.

#### **2. Finance & accounts**

##### **A. CASH & BANK**

- i) Scrutiny of all cash & bank transactions.
- ii) Checking classification under proper accounting heads.
- iii) Checking bank reconciliation & verification of bank balances.
- iv) Physical verification of cash.
- v) Reporting funds retained by the SBU in excess of the limits prescribed.

##### **B. Payroll**

- i) Scrutiny of monthly pay roll transactions on test check basis.
- ii) Scrutiny of employees' income tax & its deduction at source on test check basis.
- iii) Scrutiny of ledger of loans and advances given to employees & recoveries thereof.
- iv) Scrutiny of transaction pertaining to contribution to Provident Fund.
- v) Scrutiny of employees' TA bills.
- vi) Scrutiny of employees' other personal claims like medical bills etc on test check basis.

##### **C. Bills of Suppliers, contractors & other**

- i) Scrutiny of all bills of suppliers, contractors & others on the basis of work order/LOA/Purchase Order.
- ii) Checking recovery/deduction from the bills as per the LOA/work order/P.O., including recovery/deduction of security deposits, outstanding advances, TDS, WCT, GST, stores/ consumables supplied by RSMML etc.

- iii) Checking excess/ additional/ substitute items vis-à-vis work order/LOA/Purchase Order & whether competent approval exists for the same.
- iv) Checking extra claims if any & whether competent approval exists for the same.
- v) Checking whether any payment has been released prior to execution of agreement.

#### **D. JVs, Ledgers etc.**

- i) Scrutiny of all JVs, General ledger, Subsidiary ledgers etc.
- ii) Checking classification under proper accounting head in general & for FBT in particular.
- iii) Scrutiny of old debit/credit balances outstanding for more than three year with reasons thereof giving period of outstanding.
- iv) Checking provision for liabilities, prepaid expenses & expenses pertaining to previous year.

#### **E. Fixed Assets register & Depreciation**

- i) Scrutiny of fixed assets register/ledger.
- ii) Checking computation of depreciation.

#### **F. Taxes & levies**

- v) Checking compliance of all applicable tax laws & rules, provision, circulars etc.
- vi) Checking timely deposit & filing of returns of all taxes & statutory levies.

#### **G. Miscellaneous**

- i) To have an overview of the operation of the system of reconciliation of inter-unit entries/transaction.
- ii) Checking valuation of finished goods.
- iii) Scrutiny of contingent liabilities & capital commitments.
- iv) Providing suggestions, if any, for improvement in the accounting systems & procedures followed by the SBU.

### **3. Mining & HGO crushing:**

- i) Reporting monthly pit-wise production of HGO, LGO, Overburden & HGO crushed.
- ii) Checking award, operation & closure of contracts with respect to compliance with contract manual, procedures & normal prudence including the following points:

#### **A. Award of contract/work:**

Checking whether competent administrative approval exists for the work awarded & whether proper procedure was followed for inviting NIT; checking the evaluation carried out in respect of the work awarded; checking deviation, if any, from the established/standard practices for award of work; checking the terms and conditions mentioned in the Letter of Acceptance (LoA)/ Work Order with those mentioned in tender document/corrigendum; checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

## **B. Operation of contract/work awarded**

Checking compliance with the Quantity/ Quality parameters; checking the work executed by the contractor & the payments made with reference to the provisions of the work order; checking timely action for award of new contract, justification for extension of the period of the existing contract, if any; checking proper receipt/deduction of security deposit, deduction/retention of LD amount if any, from running bills; checking payment with reference to the terms of the contract regarding stripping ratio, if any; checking recoveries/deductions from bills for material & power supplied given by RSMML, de-escalation of diesel prices, rent for accommodation provided etc.; checking compliance with other terms & conditions of the contracts & whether payments are in accordance with these terms & conditions; checking compliance with the provisions of various statutes including EPF & MP Act; checking whether the company has entered into formal agreement with the contractor.

## **C. Closure of Contract/work awarded**

Checking whether all procedural formalities for closure of the contract have been adhered to; checking whether all terms & conditions of the contract have been complied with & whether the final output meets quantity and quality parameters as per the work order; checking justification & competent approval in case of variation; checking imposition of Liquidated Damages as per the provisions of the contract & if not imposed, whether proper justification & approval exists; verification of the payments made during the contract and of the final payment, including SD, made/ to be made the contractor and whether approval of competent authority exists, checking whether the contracts were closed in reasonable time giving list of contracts pending closure.

- i.) Utilisation of mining equipment giving availability, working hours, production, productivity (i.e., production per hour) & breakdown hours with reasons, for individual equipment vis-à-vis budget/norms, if any.
- ii.) Utilisation of curing plant giving availability, working hours, production & productivity (i.e., production per hour) & breakdown hours with reasons, vis-à-vis budget/norms, if any.
- iii.) Machine wise diesel consumption giving monthly working hours, diesel consumed during the period & diesel consumption per hour vis-à-vis budget/norms, if any.
- iv.) Monthly diesel consumption per ton of rock excavated separately for departmental & contractors production with previous three year figures & budget/norms, if any.
- v.) Consumption of explosives, giving quantities & value of explosives consumed, rock excavated & consumption per ton, separately for departmental & contractual production, with previous three years figures and budget/norms, if any.
- vi.) Working out the cost per tonne of rock handling giving previous three year figures & budget/norms, if any.
- vii.) Reporting the status of various mining leases under the SBU.
- viii.) Suggest the areas/ fields to minimise the operative expenses without affecting the productivity.

## **4. Maintenance Operations**

- i.) Break down hours & reasons thereof for individual machines vis-a-vis budget/norms, if any.
- ii.) Scrutiny of award, operation & closure of contracts, if any, with reference to the points as mentioned at sr. no. (ii) of the head "Mining & HGO Crushing".
- iii.) Fleet-wise expenditure incurred on maintenance of mining and heavy earth moving equipment giving figures for utilisation of tyres, spares, consumable & other stores with previous three year figures & budget/norms, if any.

- iv.) Year-end reporting of inventory of spares and other consumable stores lying at the shop floor.

## 5. Electrical

- i.) Analysis of power consumption in terms of per unit of production giving figures for previous three year & budget/norms, if any, separately for mining (excluding consumption by PHED pumps) & IBP.
- ii.) Operation of the 3.8 MW DG set giving working hours, breakdown hours, units generated & cost of operation.
- iii.) Checking compliance of Wheeling and Banking arrangement for power.
- iv.) Utilisation of spares and consumables/ Stores.

## 6. INDUSTRIAL BENEFICIATION PLANT

- i.) Month-wise feed of LGO & production of concentrate giving grade, recovery percentage, moisture etc.
- ii.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. No (ii) the head 'Mining & HGO Crushing'.
- iii.) Utilisation of the plant giving availability, working hours, production & productivity (i.e., production per hour) & breakdown hours with reasons, vis-à-vis budget/norms, if any.
- iv.) Consumption, in quantitative & value terms, of regarding giving figures of previous three years and budget/norms, if any.
- v.) Expenditure incurred on spares and other consumables/stores vis-à-vis budget/norms, if any.
- vi.) Expenditure incurred on maintenance of the plant vis-à-vis budget/norms, if any.
- vii.) Suggest the areas/fields to minimize the operative expenses without affecting the productivity.

## 7. Purchase Department

Checking purchases with respect to compliance with applicable laws & rules, purchase policies, purchase manual, procedures & normal prudence, including the following points.

- i.) Whether there was proper indent/proposal with competent administrative approval giving with full information/ specification pertaining to the proposed purchase.
- ii.) Checking the reasonability of purchases with reference to last purchase price, previous years' consumption, available stock, budget provision & normal prudence.
- iii.) In case of deviation from the standard procedure of purchase, checking whether the prior approval of the competent authority has been obtained for the said deviation.
- iv.) Checking whether sufficient justification has been provided for any deviation from tender specifications, terms and conditions etc pertaining to the purchases made and whether competent approval has been obtained for the same.
- v.) Checking the evolution of the officers/bids received and placement of orders.
- vi.) Checking whether appropriate securities e.g. earnest money deposit, security deposit etc has been obtained in reference to the proposed purchase.
- vii.) Year-end reporting of group wise inventory with previous three year' figures.

## 8. Civil Department

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & HGO Crushing".
- ii.) Checking excess/additional/substitute items vis-a-vis work order/LoA/Purchase Order & whether competent approval exists for the same.
- iii.) Checking extra claims, if any & whether competent approval exists for the same.

## 9. Marketing Department

- i.) Month-wise & product-wise sales with figures of corresponding half of the previous year.
- ii.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & HGO Crushing".
- iii.) Recovery from debtors & whether interest has been charged on the overdue amount and recovery position of such interest.
- iv.) Checking of sale bills vouchers, moisture rebates, Debit/Credit Notes, debtors/freight accounts etc.
- v.) Checking royalty, VAT/CST, M.R. Cess etc paid to the Govt. & recovered from parties.
- vi.) Checking of Release Orders, reconciliation of quantity dispatched/ sold & verification stock position.
- vii.) Reconciliation of quantity of rock phosphate transported from Weight Bridge to railway siding, grinding units etc.
- viii.) Suggestions for improvement in the system & procedures being followed.

## 10. Quality Assurance

- i.) Expenditure incurred on contract for quality assurance.
- ii.) Expenditure incurred on stores & consumables.
- iii.) Expenditure on purchased raw material used for preparation of product for SSP/DAP sectors.

## 11. Personnel

- i.) Scrutiny of pay fixation, annual grade increments, leaves encashment, VRS etc.
- ii.) Checking records pertaining to attendance & leave balance of employees.
- iii.) Scrutiny of loans & advances granted to employees.
- iv.) Scrutiny of engagement of casuals (if any) with reference to compliance with policies, procedures, statutes & delegation of powers.

## 12. Administration

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & HGO Crushing".
- ii.) Scrutiny of requirement and deployment of departmental & hired vehicles.
- iii.) Checking log books of such vehicles with reference to their proper utilisation.
- iv.) Checking broadly the diesel consumption with reference to norms.

- v.) Checking the records pertaining to procurement and issue of stationery items.
- vi.) Checking asset register of furniture and fixtures and other capital items & disposal of scrap etc.
- vii.) Checking receipt, issues & stock of medicines.

### 13. Reporting on Internal Controls

The auditor should point out gaps/lacunae in internal control procedures, if any, and suggest measures to strengthen the same. The auditor may also give suggestions for improvement in the systems, procedures & overall working of various departments of SBU-Rock Phosphate.

## SBU & PC-Gypsum

### 1. Reporting on performance of the SBU

Reporting production & sales (in both quantitative & value terms) of Gypsum/Selenite, other revenue, expenditure incurred & profit earned by the SBU vis-a-vis, budget, giving figures for corresponding half of the previous year.

### 2. Finance & Accounts

#### A. Cash & Bank

- i.) Scrutiny of all cash & bank transaction.
- ii.) Checking classification under proper accounting heads.
- iii.) Checking Bank reconciliation & verification of bank balances.
- iv.) Physical verification of cash.
- v.) Reporting funds retained by the SBU in excess of the limits prescribed.

#### B. Payroll

- i.) Scrutiny of monthly pay roll transaction on the check basis.
- ii.) Scrutiny of employees' income tax & it's deduction at source on test check basis.
- iii.) Scrutiny of ledger of loans and advances given to employees & recoveries thereof.
- iv.) Scrutiny of transactions pertaining to contribution to Provident Fund.
- v.) Scrutiny of employees' TA bills.
- vi.) Scrutiny of employees' other personal claims like medical bills etc. on test check basis.

#### C. Bills of suppliers, contractors & others

- i.) Scrutiny of all bills of suppliers, contractors & others on the basis of work order/LoA/Purchase Order.
- ii.) Checking recovery/deduction from the bills as per the LOA/work order/P.O., including recovery/deduction of security deposits, outstanding advances, TDS, WCT, GST, stores/consumables supplied by RSMML etc.
- iii.) Checking items in excess of addition to the work order/LoA/Purchase Order & whether competent approval exists for the same.
- iv.) Checking whether any payment has been released prior to execution of agreement.



#### **D. JVs, Ledgers etc.**

- i.) Scrutiny of all JVs, General ledger, subsidiary ledgers etc.
- ii.) Checking classification under proper accounting head in general & for FBT in particulate.
- iii.) Scrutiny of old debit/credit balances outstanding for more than three year with reasons thereof giving period of outstanding.
- iv.) Checking provision for liabilities, prepaid expenses & expenses pertaining to previous year.

#### **E. Fixed Assets register & Depreciation**

- i.) Scrutiny of fixed assets register/ledger.
- ii.) Checking computation of depreciation.

#### **F. Taxes & levies**

- i.) Checking compliance of all applicable tax laws& rules, provisions, circulars etc.
- ii.) Checking timely deposit & filing of returns of all taxes & statutory levies.

#### **G. Miscellaneous**

- i.) To have an overview of the operation of the system of reconciliation of inter-unit entries/transaction.
- ii.) Checking valuations, of finished goods.
- iii.) Scrutiny of contingent liabilities & capital commitments.
- iv.) Providing suggestion, if any, for improvement in the accounting systems & procedures followed by the SBU.

### **3. Mining & crushing operations:**

- i.) Reporting monthly mine-wise production& production from plant at Rawla.
- ii.) Checking award, operation & closure of contracts with respect to compliance with contract manual, procedures & normal prudence including the following points:

#### **A. Award of contract/work:**

Checking whether competent administrative approval exists for the work awarded & whether proper procedure was followed for inviting NIT; checking the evaluation carried out in respect of the work awarded; checking deviation, if any, from the established/standard practices for award of work; checking the terms and conditions mentioned in the Letter of Acceptance (LoA)/Work Order with those mentioned in tender document/corrigendum; checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

## **B. Operation of contract/work awarded**

Checking compliance with the Quantity/Quality parameters; checking the work executed by the contractor & the payments made with reference to the provisions of the work order, checking timely action for award of new contract, justification for extension of the period of the existing contract, if any; checking proper receipt/deduction of security deposit, deduction/retention of LD amount, if any, from running bills; checking compliance with other terms & conditions of the contract & whether payments are in accordance with these terms & conditions; checking compliance with the provisions of various statutes including EPF & MP Act; checking whether the company has entered into formal agreement with the contractor.

## **C. Closure of Contract/work awarded**

Checking whether all procedural formalities for closure of the contract have been adhered to; checking whether all terms & conditions of the contract have been complied with & whether the final output meets quantity and quality parameters as per the work order; checking justification & competent approval in case of variation; checking imposition of Liquidated Damages as per the provisions of the contract & if not imposed, whether proper justification & approval exists; verification of the payments made during the contract and of the final payment, including SD, made/ to be made to the contractor and whether approval of competent authority exists; checking whether the contracts were closed in reasonable time giving list of contracts pending closure.

- iii.) Utilisation of Rawla cursing plant giving working hours, production & productivity (i.e., production per hour) & breakdown hours with reasons, vis-a-vis budget/norms, if any.
- iv.) Reporting the status of various mining leases under the SBU.
- v.) Suggest the areas/ fields to minimise the operative expenses without affecting the productivity.

## **4. Electrical**

Analysis of power consumption in terms of per unit of production giving figures for previous three years & budget/norms, if any.

## **5. Purchase**

Checking purchase with respect to compliance with applicable Laws & rules, purchase policies, purchase manual, procedures & normal prudence, including the following the points:

- i.) Whether there was proper indent/ proposal with competent administrative approval giving with full information/ specifications pertaining to the proposed purchase.
- ii.) Checking the reasonability of purchases with reference to last purchase price, previous years' consumption, available stock, budget provision & normal prudence.
- iii.) In case of deviation from the standard procedure of purchase checking whether the prior approval of the complete authority has been obtained for the said deviation

- iv.) Checking whether sufficient justification has been provided for any deviation from tender specification, terms and conditions etc pertaining to the purchases made and whether competent approval has been obtained for the same.
- v.) Checking the evaluation of the offers/ bids received and placement of orders.
- vi.) Checking whether appropriate securities e.g. earnest money deposit, security deposit etc has been obtained in reference to the proposed purchase.

#### **6. Civil works**

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & HGO Crushing".
- ii.) Checking item in excess of/addition to the work order/LoA/Purchase Order & whether competent approval exists for the same.

#### **7. Marketing Department**

- i.) Month-wise & product-wise sales with figures of corresponding half of the previous year.
- ii.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr.no. (ii) of the head "Mining & Crushing Operations".
- iii.) Recovery from debtors & whether interest has been charged on the overdue amount and recovery position of such interest.
- iv.) Checking of sale bills vouchers, moisture rebates, Debit/Credit Notes, debtors/ freight accounts etc.
- v.) Checking of Release Orders, reconciliation of quantity dispatched/ sold & verification stock position.
- vi.) Reconciliation of quantities of Gypsum/Selenite transported from Weigh Bridge to railway sidings, grinding units etc.
- vii.) Suggestions for improvement in the systems & procedures being followed.
- viii.) Expenditure incurred on contract for quality assurance.

#### **8. Personnel**

- i.) Scrutiny of pay fixation, annual grade increments, leaves encasement, VRS etc.
- ii.) Checking records pertaining to attendance & leave balance of employees.
- iii.) Scrutiny of loans & advances granted to employees.
- iv.) Scrutiny of engagement of casuals (if any) with reference to compliance with policies, procedures, statutes & delegation of powers.

#### **9. Administration**

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & Crushing operations".
- ii.) Scrutiny of requirement and deployment of departmental & hired vehicles.

- iii.) Checking log books of such vehicles with reference to their proper utilisation.
- iv.) Checking broadly the diesel consumption with reference to norms.
- v.) Checking the records pertaining to procurement and issue of stationery items.
- vi.) Checking asset register of furniture and fixtures and other capital items & disposal of scrap.
- vii.) Checking receipt, issues & stock of medicines.

### **Reporting on Internal Controls**

The auditor should point out gaps/ lacunae in internal control procedures, if any, and suggest measures to strengthen the same. The auditor may also give suggestions for improvement in the systems, procedures & overall working of various departments of SBU Gypsum.

### **SBU & PC –Lignite**

In the course of audit, the auditors shall check and review and give their comments/suggestions on the various operations of the company, including the following broad areas of activity:

#### **1. Reporting on performance of the SBU**

Reporting unit-wise production & sales (in both quantitative & value terms), other revenue expenditure incurred & profit earned vis-a-vis budget, giving figures for corresponding half of the previous year. In the case of report for second half, figures for whole year should also be given.

#### **2. Finance & Accounts**

##### **A. Cash & Bank**

- i.) Scrutiny of all cash & bank transactions.
- ii.) Checking classification under proper accounting heads.
- iii.) Checking Bank reconciliation & verification of bank balances.
- iv.) Physical verification of cash.
- v.) Reporting funds retained by the SBU in excess of the limits prescribed.

##### **B. Payroll**

- i.) Scrutiny of monthly pay roll transactions on test check basis.
- ii.) Scrutiny of employees' income tax & its deduction at source on test check basis.
- iii.) Scrutiny of ledger of loans and advances given to employees & recoveries thereof.
- iv.) Scrutiny of transactions pertaining to contribution to Provident Fund.
- v.) Scrutiny of employees' TA bills.
- vi.) Scrutiny of employees' other personal claims like medical bills etc on test check basis.

##### **C. Bills of suppliers, contractors & others**

- i.) Scrutiny of all bills of suppliers, contractors & others on the basis of work order/LOA/Purchase Order.

- ii.) Checking recovery/deduction from the bills as per the LOA/work order/P.O. or applicable statute., including recovery/deduction of security deposits, outstanding advances, TDS, WCT, GST, stores/ consumables supplied by RSMML etc.
- iii.) Checking excess/ additional/ substitute items vis-a-vis work order/LOA/Purchase Order & whether competent approval exists for the same.
- iv.) Checking extra claims, if any & whether competent approval exists for the same.
- v.) Checking whether any payment has been released prior to execution of agreement/deposit of SD.

#### **D. JVs, Ledgers etc.**

- i.) Scrutiny of all JVs, General ledger, subsidiary ledgers etc.
- ii.) Checking classification under proper accounting head.
- iii.) Scrutiny of old debit/credit balances outstanding for more than three years with reasons thereof giving period of outstanding.
- iv.) Checking provision for liabilities, prepaid expenses & expenses pertaining to previous year.

#### **E. Fixed Assets register & Depreciation**

- i.) Scrutiny of fixed assets register/ledger.
- ii.) Checking computation of depreciation.

#### **F. Taxes & levies**

- i.) Checking compliance of all applicable tax laws & rules, provisions, circulars etc.
- ii.) Checking timely deposit & filing of returns of all taxes & statutory levies.

#### **G. Miscellaneous**

- i.) To have an overview of the operation of the system of reconciliation of inter-unit entries/transaction.
- ii.) Checking valuations, of finished goods.
- iii.) Scrutiny of contingent liabilities & capital commitments.
- iv.) Providing suggestion, if any, for improvement in the accounting systems & procedures followed by the SBU.

### **3. Mining & depressurisation operations:**

- i.) Reporting monthly mine-wise production.
- ii.) Checking award, operation & closure of contracts with respect to compliance with contract manual, procedures & normal prudence including the following points:

#### **A.) Award of contract/work:**

Checking whether competent administrative approval exists for the work awarded & whether proper procedure was followed for inviting NIT; checking the evaluation carried out in respect of the work awarded; checking deviation, if any, from the established/standard practices for award of work; checking the terms and conditions mentioned in the Letter of Acceptance (LOA/ Work Order with those mentioned in tender document/corrigendum; checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

#### **B. Operation of contract/work awarded**

Checking compliance with the Quantity/Quality parameters; checking the work executed by the contractor & the payments made with reference to the provisions of the work order, checking timely action for award of new contract, justification for extension of the period of the existing contract, if any; checking proper receipt/deduction of security deposit, deduction/retention of L.D amount if any; form running bills; checking payment with reference to the terms of the contract regarding stripping ratio, if any; checking recoveries/deductions form bills for material & power supplied/given by RSMML, de-escalation of diesel prices, rent for accommodation provided etc; checking compliance with other terms & conditions of the contract & whether payments are in accordance with these terms & conditions; checking compliance with the provisions of various statutes including EPF& MP Act; checking whether the company has entered into formal agreement with the contractor.

#### **C. Closure of Contract/work awarded**

Checking whether all procedural formalities for closure of the contract have been adhered to; checking whether all terms & conditions of the contract have been complied with & whether the final output meets quantity and quality parameters as per the work order; checking justification & competent approval in case of variation; checking imposition of Liquidated Damages as per the provisions of the contract & if not imposed, whether proper justification & approval exists; verification of the payments made during the contract and of the final payment, including SD made/ to be made to the contractor and whether approval of competent authority exists; checking whether the contracts were closed in reasonable time giving list of contracts pending closure.

- iii.) Expenses on consultancy & Research & Development.
- iv.) Reporting the status of various mining leases under the SBU.
- v.) Suggest the areas/ fields to minimise the operative expenses without affecting the productivity.

#### **4. Marketing Department**

- i.) Month-wise & product-wise sales with figures of corresponding half of the previous year.
- ii.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr.no. (ii) of the head "Mining & Depressurisation Operations".
- iii.) Recovery from debtors & Whether interest has been charged on the overdue amount and recovery position of such interest.

- iv.) Checking of sale bills vouchers, moisture rebates, Debit/Credit Notes, debtors/ freight accounts etc.
- v.) Checking royalty, VAT/CST, M.R. Cess etc paid to the Govt. & recovered from parties.
- vi.) Checking of Release Orders, reconciliation of quantity dispatched/ sold & verification stock position.
- vii.) Reconciliation of quantities of Gypsum/Selenite transported from Weigh Bridge to railway sidings, grinding units etc.
- viii.) Suggestions for improvement in the systems & procedures being followed.
- ix.) Expenditure incurred on contract for quality assurance.

## **5. Personnel**

- i.) Scrutiny of pay fixation, annual grade increments, leaves encasement, VRS etc.
- ii.) Checking records pertaining to attendance & leave balance of employees.
- iii.) Scrutiny of loans & advances granted to employees.
- iv.) Scrutiny of engagement of casuals (if any) with reference to compliance with policies, procedures, statutes & delegation of powers.

## **6. Administration**

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & Crushing operations".
- ii.) Scrutiny of requirement and deployment of departmental & hired vehicles.
- iii.) Checking log books of such vehicles with reference to their proper utilisation.
- iv.) Checking broadly the diesel consumption with reference to norms.
- v.) Checking the records pertaining to procurement and issue of stationery items.
- vi.) Checking asset register of furniture and fixtures and other capital items & disposal of scrap.
- vii.) Checking receipt, issues & stock of medicines.

## **7. Miscellaneous**

- i.) Checking purchases with respect to purchase policies, purchase manual procedures & normal prudence.
- ii.) Scrutiny of award, operation & closure of civil contracts with reference to the points as mentioned at sr. no.(ii) of the head "Mining & Crushing Operations" & checking items in excess of / addition to the work order/LOA/Purchase Order & whether competent approval exists for the same.
- iii.) Analysis of power consumption per unit of production giving figure for previous three year & budget/norms, if any.
- iv.) Operations of MIS/computer department including expenses on consumables, AMC's of software & hardware consultancy etc.

## **8. Reporting on Internal Controls**

The auditor should point out gaps/ lacunae in internal control procedures, if any, and suggest measures to strengthen the same. The auditor may also give suggestions for improvement in the systems, procedures & overall working of various departments of SBU Lignite.

## **SBU & PC-Limestone**

In the course of audit, the auditors shall review and give their comments/suggestions on the various operation of the company, including the following broad areas of activity:

### **1. Reporting on performance of the SBU**

Reporting unit-wise production & sales (in both quantitative & value terms), other revenue expenditure incurred & profit earned vis-a-vis budget, giving figures for corresponding half of the previous year. In the case of report for second half, figures for whole year should also be given.

### **2. Finance & Accounts**

#### **A. Cash & Bank**

- i.) Scrutiny of all cash & bank transactions.
- ii.) Checking classification under proper accounting heads.
- iii.) Checking Bank reconciliation & verification of bank balances.
- iv.) Physical verification of cash.
- v.) Reporting funds retained by the SBU in excess of the limits prescribed.

#### **B. Payroll**

- i.) Scrutiny of monthly pay roll transactions on test check basis.
- ii.) Scrutiny of employees' income tax & its deduction at source on test check basis.
- iii.) Scrutiny of ledger of loans and advances given to employees & recoveries thereof.
- iv.) Scrutiny of transactions pertaining to contribution to Provident Fund.
- v.) Scrutiny of employees' TA bills.
- vi.) Scrutiny of employees' other personal claims like medical bills etc on test check basis.

#### **C. Bills of suppliers, contractors & others**

- i.) Scrutiny of all bills of suppliers, contractors & others on the basis of work order/LOA/Purchase Order.



- ii.) Checking recovery/deduction from the bills as per the LOA/work order/P.O. including recovery/deduction of security deposits, outstanding advances, TDS, WCT, GST, stores/consumables supplied by RSMML etc.
- iii.) Checking excess/additional/substitute items vis-a-vis work order/LoA/Purchase Order & whether competent approval exists for the same.
- iv.) Checking extra claims, if any & whether competent approval exists for the same.
- v.) Checking whether any payment has been released prior to execution of agreement.

#### **D. JVs, Ledgers etc.**

- i.) Scrutiny of all JVs, General ledger, subsidiary ledgers etc.
- ii.) Checking classification under proper accounting head in general & FBT in particular.
- iii.) Scrutiny of old debit/credit balances outstanding for more than three year with reasons thereof giving period of outstanding.
- iv.) Checking provision for liabilities, prepaid expenses & expenses pertaining to previous year.

#### **E. Fixed Assets register & Depreciation**

- i.) Scrutiny of fixed assets register/ledger.
- ii.) Checking computation of depreciation.

#### **F. Taxes & levies**

- i.) Checking compliance of all applicable tax laws & rules, provisions, circulars etc.
- ii.) Checking timely deposit & filing of returns of all taxes & statutory levies.

#### **G. Miscellaneous**

- i.) To have an overview of the operation of the system of reconciliation of inter-unit entries/transaction.
- ii.) Checking valuations, of finished goods.
- iii.) Scrutiny of contingent liabilities & capital commitments.
- iv.) Providing suggestion, if any, for improvement in the accounting systems & procedures followed by the SBU.

### **3. Mining &Crushing operations:**

- i.) Reporting monthly mine-wise ROM & production from Crushing plant giving recovery percentage.
- ii.) Checking award, operation & closure of contracts with respect to compliance with contract manual, procedures & normal prudence including the following points:

**A. Award of contract/work:**

Checking whether competent administrative approval exists for the work awarded & whether proper procedure was followed for inviting NIT; checking the evaluation carried out in respect of the work awarded; checking deviation, if any, from the established/standard practices for award of work; checking the terms and conditions mentioned in the Letter of Acceptance (LoA)/ Work Order with those mentioned in tender document/corrigendum; checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

**B. Operation of contract/work awarded**

Checking compliance with the Quantity/Quality parameters; checking the work executed by the payments made with reference to the provisions of the work order, checking timely action for award of new contract, justification for extension of the period of the existing contract, if any; checking proper receipt/deduction of security deposit, deduction/retention of LD amount, if any, form running bills; checking payment with reference to the terms of the contract regarding stripping ratio, if any; checking recoveries/deductions form bills for material & power supplied/given by RSMML, de-escalation of diesel prices, rent for accommodation provided etc; checking compliance with other terms & conditions of the contract & whether payments are in accordance with these terms & conditions; checking compliance with the provisions of various statues including EPF & MP Act; checking whether the company has entered into formal agreement with the contractor.

**C. Closure of Contract/work awarded**

Checking whether all procedural formalities for closure of the contract have been adhered to; checking whether all terms & conditions of the contract have been complied with & whether the final output meets quantity and quality parameters as per the work order; checking justification & competent approval in case of variation; checking imposition of Liquidated Damages as per the provisions of the contract & if not imposed, whether proper justification & approval exists; verification of the payments made during the contract and of the final payment, including SD made/ to be made to the contractor and whether approval of competent authority exists; checking whether the contracts were closed in reasonable time giving list of contracts pending closure.

- iii.) Utilisation of crusing plant giving working hours, production & productivity (i.e., production per hour) & breakdown hours with reasons, vis-a-vis budget/norms, if any.
- iv.) Reporting the status of various mining leases under the SBU.
- v.) Suggest the areas/ fields to minimise the operative expenses without affecting the productivity.

**4. Marketing Department**

- i.) Month-wise & product-wise sales with figures of corresponding half of the previous year.
- ii.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & Crushing Operations".

- iii.) Recovery from debtors & Whether interest has been charged on the overdue amount and recovery position of such interest.
- iv.) Checking of sale bills vouchers, Debit/Credit Notes, debtors/ freight accounts etc.
- v.) Checking of royalty, VAT/CST, M.R. Cess etc paid to the Govt. & recovered from parties.
- vi.) Checking of Release Orders, reconciliation of quantity dispatched/ sold & verification stock position.
- vii.) Reconciliation of quantities of Limestone transported from Weigh Bridge to railway sidings, grinding units etc.
- viii.) Suggestions for improvement in the systems & procedures being followed.
- ix.) Expenditure incurred on contract for quality assurance.

## **5. Personnel**

- i.) Scrutiny of pay fixation, annual grade increments, leaves encasement, VRS etc.
- ii.) Checking records pertaining to attendance & leave balance of employees.
- iii.) Scrutiny of loans & advances granted to employees.
- iv.) Scrutiny of engagement of casuals (if any) with reference to compliance with policies, procedures, statutes & delegation of powers.

## **6. Administration**

- i.) Scrutiny of award, operation & closure of contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & Crushing operations".
- ii.) Scrutiny of requirement and deployment of departmental & hired vehicles.
- iii.) Checking log books of such vehicles with reference to their proper utilisation.
- iv.) Checking broadly the diesel consumption with reference to norms.
- v.) Checking the records pertaining to procurement and issue of stationery items.
- vi.) Checking asset register of furniture and fixtures and other capital items & disposal of scrap.
- vii.) Checking receipt, issues & stock of medicines.

## **7. Miscellaneous**

- i.) Checking purchases with respect to purchase policies, purchase manual, procedures & normal prudence.
- ii.) Scrutiny of award, operation & closure of civil contracts with reference to the points as mentioned at sr. no. (ii) of the head "Mining & Crushing Operations" & checking items in excess of/additions to the work order/LOA/Purchase Order & whether competent approval exists for the same.
- iii.) Analysis of power consumption per unit of production giving figures for previous three year & budget/norms, if any.
- iv.) Operations of MIS/computer department including expenses on consumables, AMC's of software & hardware, consultancy etc.

## **8. Reporting on Internal Controls**

The auditor should point out gaps/ lacunae in internal control procedures, if any, and suggest measures to strengthen the same. The auditor may also give suggestions for improvement in the systems, procedures & overall working of various departments of SBU Limestone.

## **CORPORATE OFFICE**

(Including Registered Office, Jaipur and Liaison Offices at New Delhi and Kolkata as also the wind farm and solar plant).

In the course of audit, the auditors shall review and give their comments/ suggestions including the following broad areas of activity.

### **I. Finance & Accounts**

#### **A. Cash & Bank**

- i.) Scrutiny of all cash & bank transactions.
- ii.) Checking classification under proper accounting heads.
- iii.) Checking Bank reconciliation & verification of bank balances.
- iv.) Physical verification of cash.

#### **B. Payroll**

- i.) Scrutiny of monthly pay roll transactions.
- ii.) Scrutiny of employees' income tax & it's deduction at source on test check basis.
- iii.) Scrutiny of ledger of loans and advances given to employees & recoveries thereof.
- iv.) Scrutiny of transactions pertaining to contribution to Provident Fund.
- v.) Scrutiny of employees' TA bills.
- vi.) Scrutiny of employees' other personal claims like medical bills etc on test check basis.

#### **C. Bills of suppliers, contractors & others**

- i.) Scrutiny of all bills of suppliers, contractors & others on the basis of work order/LOA/Purchase Order.
- ii.) Checking recovery/deduction from the bills as per the LOA/work order/P.O. including recovery/deduction of security deposits, outstanding advances, TDS, WCT, GST, stores/ consumables supplied by RSMML etc.
- iii.) Checking excess/additional/substitute items vis-a-vis work order/LOA/Purchase Order & whether competent approval exists for the same.
- iv.) Checking extra claims, if any & whether competent approval exists for the same.

- v.) Checking whether any payment has been released prior to execution of agreement.

#### **D. JVs, Ledgers etc.**

- i.) Scrutiny of all JVs, General ledger, subsidiary ledgers etc.
- ii.) Checking classification under proper accounting head in general & FBT in particular.
- iii.) Scrutiny of old debit/credit balances outstanding for more than three year with reasons thereof giving period of outstanding.
- iv.) Checking provision for liabilities, prepaid expenses & expenses pertaining to previous year.

#### **E. Fixed Assets register & Depreciation**

- i.) Scrutiny of fixed assets register/ledger.
- ii.) Checking computation of depreciation.

#### **F. Taxes & levies**

- i.) Checking of provision for Income Tax & deferred tax.
- ii.) Checking compliance of all applicable tax laws & rules, provisions, circulars etc.
- iii.) Checking timely deposit & filing of returns of all taxes & statutory levies.

#### **G. Miscellaneous**

- i.) To have an overview of the operation of the system of reconciliation of inter-unit entries/transaction.
- ii.) Scrutiny of contingent liabilities & capital commitments.
- iii.) Providing suggestion, if any, for improvement in the accounting systems & procedures followed by the company.
- iv.) Review of treatment of various transactions in accounts as per the applicable accounting standards. Checking compliance of disclosure requirements and updating company officials about the same.

### **2. Contract cell**

Checking awarding of contracts with respect to compliance with contract manual, procedures & normal prudence including the following points:

- i.) Checking competent administrative approval for getting the work executed on contract basis.
- ii.) Checking whether proper procedure was followed for inviting NIT.
- iii.) Checking evaluation of the contracts awarded.
- iv.) Deviation, if any, from the contract manual/established practices followed for award of contract in the company.
- v.) Checking terms and conditions mentioned in the Letter of Acceptance (LoA)/ Work Order with those mentioned in tender document/corrigendum.

- vi.) Checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

### **3. Materials Management Department**

Checking purchases with respect to compliance with applicable laws & rules, purchase policies, purchase manual, procedures & normal prudence, including the following points.

- i.) Whether there was proper indent proposal with competent administrative approval giving with full information/specification pertaining to the proposed purchase.
- ii.) Checking the reasonability of purchases with reference to last purchase price, previous year's consumption, available stock, budget provision & normal prudence etc.
- iii.) In case of deviation from the standard procedure of purchase, checking whether the prior approval of the competent authority has been obtained for the said deviation.
- iv.) Checking whether sufficient justification has been provided for any deviation from tender specifications, terms and conditions etc pertaining to the proposed purchase and whether competent approval has been obtained for the same.
- v.) Checking the evaluation of the offers/ bids received and placement of orders.
- vi.) Checking whether appropriate securities e.g., earnest money deposit, security deposit etc. has been obtained in reference to the proposed purchase.

### **4. Project Department**

1. Scrutiny of the contracts/works awarded by the Project Department with reference to compliance with standard procedures & normal prudence including the following points.

#### **A. Award of contract/work:**

Checking whether competent administrative approval exists for the work awarded & whether proper procedure was followed for inviting NIT; checking the evaluation carried out in respect of the work awarded; checking deviation, if any, from the established/standard practices for award of work; checking the terms and conditions mentioned in the Letter of Acceptance (L.O.A)/ Work Order with those mentioned in tender document/corrigendum; checking records maintained for DDs/Pay Orders received towards EMD & timely refund thereof.

#### **B. Operation of contract/work awarded**

Checking compliance with the Quantity/Quality parameters; checking the work executed by the contractor & the payments made with reference to the provisions of the work order; checking timely action for award of new contract, justification for extension of the period of the existing contract, if any; checking proper receipt/deduction of security deposit, deduction/retention of L.D amount, if any, from running bills; checking recoveries/deductions from bills for material & power supplied/given by RSMML, de-escalation of diesel prices, rent for accommodation provided etc; checking compliance with other terms & conditions of the contract & whether payments are in accordance with these terms & conditions; checking compliance with the provisions of various statutes including EPF & MP Act; checking whether the company has entered into formal agreement with the contractor

### **C. Closure of Contract/work awarded**

Checking whether all procedural formalities for closure of the contract have been adhered to; checking whether all terms & conditions of the contract have been complied with & whether the final output meets quantity and quality parameters as per the work order; checking justification & competent approval in case of variation; checking imposition of Liquidated Damages as per the provisions of the contract & if not imposed, whether proper justification & approval exists; verification of the payments made during the contract and of the final payment; including SD, made/to be made to the contractor and whether approval of competent authority exists; checking whether the contracts were closed in reasonable time giving list of contracts pending closure.

2. Scrutiny of any other work awarded by the project Dept., viz., appointment of consultants etc.

### **5. Personnel**

- i.) Scrutiny of pay fixation, annual grade increments, leaves encashment, VRS etc.
- ii.) Checking records pertaining to attendance & leaves balance of employees.
- iii.) Scrutiny of loans & advances granted to employees.
- iv.) Scrutiny of engagement of casuals (if any) with reference to compliance with policies, procedures, statutes & delegation of powers.

### **6. Administration**

- i.) Scrutiny of requirement and deployment of departmental & hired vehicles.
- ii.) Checking log books of such vehicles with reference to their proper utilisation.
- iii.) Checking broadly the diesel consumption with reference to norms.
- iv.) Checking the records pertaining to procurement and issue of stationery items.
- v.) Checking asset register of furniture and fixtures and other capital items & disposal of scrap.
- vi.) Checking receipt, issues & stock of medicines.
- vii.) Scrutiny of award, operation & closure of various contracts of Administration Department  
Keeping in View the points described earlier under the sub-heads "Award of contract/work", "Operation of contract/work awarded" & "Closure of contracts/work awarded" under the head "Projects Department".

### **7. MIS Department**

- i.) Checking purchases of consumables.
- ii.) Checking Annual Maintenance contracts (AMCs)/updating contracts for hardware & software.
- iii.) Scrutiny of capital purchases, if any.

### **9. Reporting on Internal Controls**

The auditor should point out gaps/ lacunae in internal control procedures, if any, and suggest measures to strengthen the same. The auditor may also give suggestions for improvement in the systems, procedures & overall working of various departments of Corporate Office.

**Annexure-7**

**ENTITLEMENT FOR REIMBURSEMENT OF TRAVELLING & STAY EXPENSES**

Particulars	Mode of Travel	Stay	DA	Conveyance charges during journey/audit
For Partners	At Actuals by Air/by Train in any class/ by Deluxe/Volvo etc. type bus	Air-Conditioned Room at par with RTDC Tariff	Rs. 800/- per day	At actuals, where vehicle is not arranged by the company
For employed CA/CMA	At Actuals by II <sup>nd</sup> AC/by Deluxe/Volvo etc. type bus	Air-Conditioned Room at par with RTDC Tariff	Rs. 600/- per day	At actuals, where vehicle is not arranged by the company
For Staff	At Actuals by III <sup>rd</sup> AC/by Train/by Deluxe/Volvo etc. type bus	Air Cooled Room at par with RTDC Tariff on twin sharing/Double occupancy basis	Rs. 500/- per day	At actuals, where vehicle is not arranged by the company

Note: - It is requested to furnish a certificate of attendance and advance drawn (including of NIL advance) from respective places of stay for speedy processing of travelling bills.